



National Alliance on Mental Illness

Testimony before the Human Services Committee

March 3, 2009

Support for HB 6610

Opposition to HB 6524

Good morning, Senator Doyle, Representative Walker, and members of the Human Services Committee. My name is Alicia Woodsby, and I am the Public Policy Director for the National Alliance on Mental Illness, CT (NAMI-CT). I am here today on behalf of NAMI-CT to testify in strong support of HB 6610, An Act Concerning Medicaid Income Limits for Aged, Blind, and Disabled Persons. I would also like to express our strong concerns regarding HB 6524, An Act Concerning Managed Care for Certain Medicaid Beneficiaries.

Currently, the Medicaid income limits for people who are aged, blind, or disabled are \$491.92 per month or \$593.45 for Fairfield County. An increase to the income limit for Medicaid to the elderly and people with physical and mental disabilities is long overdue. The current limits are at approximately 60-70% of the Federal Poverty Guidelines, which leaves thousands of people with very low-incomes and significant health needs grappling with the state's spend-down program. The program requires that they incur enough medical bills within a six month period to "spend down" to qualify for Medicaid. It is extremely complicated and frustrating, and makes it difficult for people to access coordinated care. As a further complication, low-income seniors and people with disabilities who receive Medicare Part D prescription drug coverage are no longer able to use the cost of medications covered by the federal program to meet their Medicaid spend-down requirements. As a result, people often go without needed health care and prescriptions, and they also end up with further financial hardship.

These are individuals with very limited resources and serious health conditions. In addition, those who worked for most of their lives but are now disabled are disproportionately impacted by this problem because they receive higher SSDI payments placing them over the current income guidelines. Those with Medicare are losing their Medicaid coverage for critical health care services, such as dental, vision, and transportation, and those with only Medicaid are unable to access any of their health care services with any level of regularity or stability. Connecticut can prevent these onerous consequences by establishing a special income disregard applicable only to aged, blind or disabled individuals and only under the Medicaid program. This will raise the income limit to the same standard that applies to all other adults Medicaid populations in the state.

The current income limits are drastically lower than the income limit for parents and caregivers on the Medicaid HUSKY program, which are currently at 185% of the FPL. How can we justify this discrepancy? Especially when the Department of Social Services has publicly recognized that they are saving more money than they had ever anticipated from the cost shifts to Medicare Part D. They are likely saving even more now as people lose their coverage, and the full state wraparound. SB 528 will correct this perverse outcome and create equity between the income limits for adults on HUSKY and people who are elderly or have disabilities receiving Medicaid coverage.

We realize that this is a significant investment – but it is an investment in people who are forced to utilize more expensive and acute medical services and whose health will continue to deteriorate if not provided with accessible and stable health care services.

Many people with serious mental illnesses experience decreased access to medical care generally because they are either uninsured or underinsured, have difficulty accessing transportation and primary care providers, and struggle to adhere to medical regimens. **People with serious mental illnesses are dying, on average, 25 years earlier than the general population, and the lack of access to appropriate health care** is cited as one of the main factors contributing to this serious public health problem. The practical implications of this are that people who can be and are productive in our state, die prematurely due to lack of adequate access to health care (NASMHPD).

This legislation will raise the income limit for Medicaid, thus reducing the reliance on spend-down and preserving health care coverage for people who are “aged, blind, and disabled” in our state.

In addition, HB 6524 would require the Department of Social Services (DSS) to create a plan to involuntarily enroll aged, blind and disabled persons in managed care health insurance plans. The state had to carve out behavioral health services from the Husky HMO’s because of their failure to provide “timely, appropriate, and effective care to children with special behavioral health needs” (May 2005, Commissioner Wilson-Coker, Memo to Appropriations and Human Services Committees). Furthermore, the Commissioner noted that there were “gaps in essential services, care decisions driven by dollars, and a system of services that is confusing and difficult to navigate” and that **“the design of the Medicaid Managed Care program may undervalue behavioral health”**.

HB 6524 would put an even more vulnerable population with significant mental health needs in managed care plans that cannot meet their mental health service needs. Medicare managed care plans should be a lesson to us all about the ineffectiveness of using this model for people who are elderly or have disabilities, “a decade of research has found that enrolled beneficiaries would have cost the program less if they had stayed in the fee-for-service (FFS) sector.”¹ Every federal study shows that the beneficiaries have a more difficult time accessing services and the plans cost 14% more on average than fee for service.

Thank you for your time and attention to these important issues.

¹ Center for Medicare Advocacy, Inc., 2008. “Medicare Overpayments to Private Plans.”